

Louisiana Department of Insurance 2010 Legislation

Citizens Corporation

HB 952 (Act 397)– HB 952 revises the Louisiana Citizens Property Insurance Corporation's (Citizens) depopulation program. Previously, Citizens was required to offer policies in groups or bundles of at least 500 through the depopulation program. The act revises current law to allow Citizens the flexibility to offer for review, the entire book of business to insurance companies that are interested in acquiring Citizens policies. The depopulation program is required to make at least one round of take-out offers each year.

HB 1330 (Act 414)– HB 1330 removes the requirement that the Louisiana Citizens Property Insurance Corporation maintain separate accounts and records for the Coastal Plan and the FAIR Plan. This change will eliminate the duplication of accounting records and allow Citizens to achieve greater operational efficiencies and cost savings.

Financial Solvency

HB 364 (Act 365) – HB 364 requires the Horsemen's Workers' Compensation Program to file an annual audit statement with the insurance commissioner by July 31 of each year for the immediately preceding calendar year.

HB 1331 (Act 415) – HB 1331 prohibits further creation of liability trust funds after October 1, 2010. Current law exempts public liability trust funds from the definition of insurance. Any liability trust fund created after October 1, 2010 will be subject to the provisions of Title 22.

SB 268 (Act 959) - SB 268 provides modifications to the Louisiana Insurance Guaranty Association model law. A few of the revisions made are as follows: the maximum amount paid on covered claims was raised from \$300,000 to \$500,000; a consumer representative was added to the board; the bill also clarifies that the association is not a part of state government; further defines the plan of operation and responsibilities and allows the state guaranty association to work with other state guaranty associations to resolve claims in the event that there is a multi-state insolvency.

SB 672 (Act 107) – SB 672 provides for access to records of certain insureds by the commissioner of insurance. When insurance is placed with an unauthorized insurer, policies and the premium cost must be disclosed to the insurance commissioner or a fine not exceeding \$500 must be paid.

SB 673 (Act 338) – SB 673 provides for the filing of annual audited financial statements by certain public trust funds with the commissioner of insurance by June 30 of each year for the immediately preceding year ending December 31 or within six months of the close of the fiscal year.

SB 674 (Act 211) – SB 674 requires property and casualty companies to submit a statement of actuarial opinion in accordance with the NAIC Property and Casualty Annual Statement instructions on an annual basis with the commissioner of insurance.

SB 675 (Act 212) – SB 675 revises the books and records statute for domestic insurance companies. The bill removes conflicts between various statutes and regulations, provides for an examination schedule of five years and removes an outdated provision that required domestic carriers to keep securities within the state of Louisiana.

SB 676 (Act 968) – SB 676 provides for financial and market analysis of insurers and regulated entities by the commissioner of insurance. Market conduct and financial analysis are currently being undertaken as a part of the examination process. Therefore, no changes will take place with regard to procedures or staff in future examinations.

SB 677 (Act 339) – SB 677 revises the current amortization schedule for electronic data processing equipment to match the requirements outlined in the NAIC Accounting and Procedures Manual. The legislation also clarifies that a Form A exemption and a disclaimer of affiliation are two separate filings.

General

HB 463 (Act 375) – HB 463 provides for technical recodification of certain provisions of the Louisiana Insurance Code relative to general insurance policy requirements.

HB 464 (Act 919) – HB 464 provides for technical recodification of certain provisions of the Louisiana Insurance Code relative to health and accident insurance.

HB 465 (Act 703) – HB 465 provides for technical recodification of certain provisions of the Louisiana Insurance Code relative to property insurance.

Health

HB 204 (Act 188) – HB 204 increases the amount of time before a health or accident policy form is deemed approved from 30 to 45 days before the commissioner's approval.

HB 244 (Act 912) – HB 244 extends the age for dependent coverage of children or grandchildren under their parent's or grandparent's health insurance policy or contract to age 26. The bill also removes the requirement that they be unmarried or full-time students. The bill exempts the Office of Group Benefits.

HB 717 (Act 595) – HB 717 provides for conditions and prohibitions during withdrawal from health insurance markets in this state.

HB 744 (Act 484) – HB 744 limits discontinuation or cancellation of health insurance coverage under certain circumstances.

Legal

HB 239 (Act 688) – HB 239 requires each authorized insurer and health maintenance organization to produce and maintain written insurance anti-fraud plans. Each insurer must file the plan on an annual basis with the commissioner of insurance for his review.

SB 515 (Act 789) – SB 515 extends an exemption to the public records law for the materials and evidence provision relative to an ongoing fraud investigation.

Licensing

HB 338 (Act 364) – HB 338 revises the current home service statute and provides for exemptions to the provisions regarding home service contracts, which are to be regulated by the commissioner of insurance.

HB 1039 (Act 730) – HB 1039 revises the current requirements regarding the demutualization and incorporation of mutual insurance holding companies.

SB 664 (Act 83) – SB 664 requires medical necessity review organizations to notify the commissioner of insurance upon changes in fact or circumstance affecting its qualification for a license within 60 days of the effective date of the change. This includes changes in control, amendments to the articles of incorporation, changes in officers and directors, merger or consolidation with any other person or entity and use of a trade name in Louisiana.

SB 666 (Act 84) – SB 666 revises the current provisions regarding books and records of Health Maintenance Organizations in order to make them consistent with the current requirements for domestic insurers.

SB 669 (Act 967) – SB 669 addresses several issues relative to producer licensing. The licensure process for a surplus lines broker was changed to a biannual renewal. A Louisiana producer will now be able to pay commissions to an out of state producer, who is licensed in their state of domicile, when they have assisted the Louisiana producer in placing business with an insurer who is authorized to do business in Louisiana. The act also adds new continuing education requirements for producers who sell Long Term Care insurance policies.

Property and Casualty

SB 663 (Act 210) – SB 663 adds a reference to the Motor Vehicle Safety Responsibility Law, R.S. 32:581 et seq., to the Uninsured Motorist Coverage provision of Title 22.

SB 665 (Act 105) – SB 665 repeals the policy form filing requirement at the time of application for a certificate of authority by a foreign and alien insurer. Policy forms will now be required to be filed with the commissioner of insurance when a company is ready to actively write a particular line of insurance.

SB 667 (Act 106) – SB 667 adds a reference to commercial automobile insurance policies into the commercial insurance cancellation and renewal provision of Title 22.

Management and Finance

HB 203 (Act 357) – HB 203 revises the notice requirements that the commissioner of insurance must follow when a carrier withdraws from the state.

HB 324 (Act 191) – HB 324 provides authorization to the department of insurance to accept credit and debit card payments. This will simplify the payment process, allowing the department of insurance to join other state agencies who have implemented the credit card payment process.

HB 497 (Act 706) – HB 497 transfers the duties to the Supreme Court relative to the collection of information and data on trial court actions of tort litigation.